

## Information/Action Item

### *Governmental Relations Committee*

Legislative and Budget Update, July 2002

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This agenda item reports to the Governmental Relations Committee and the Commission about bills introduced in the 2001-2002 Legislative Session on issues affecting California postsecondary education.

This item is organized into two parts:

Part One page 1, presents a status report on State budget negotiations.

Part Two, pages 3-5, presents a matrix of key bills during the 2001-02 legislative session.

*Recommended Action:* Committee approval and Commission adoption of the report for appropriate action.

*Presenter:* Marge Chisholm and Kevin G. Woolfork.







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# LEGISLATIVE AND BUDGET UPDATE, JULY 2002

*A Report to the Governmental  
Relations Committee of the California  
Postsecondary Education Commission*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
1303 J Street ♦ Suite 500 ♦ Sacramento, California 95814-2938

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# 1

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## Budget Highlights

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THE LEGISLATURE has been working on adopting a budget of more than \$77 billion for the State of California for the upcoming 2002-03 fiscal year that began on July 1<sup>st</sup>. The State Budget is estimated to face at least a \$24 billion shortfall over the current (2001-02) and upcoming year.

The Legislature's Budget Conference Committee met from June 4<sup>th</sup> through June 20<sup>th</sup> but failed to resolve differences on the budget. That process went through a 400 page conference agenda, plus much additional material in an attempt to close a \$1 billion gap between the versions of the budget submitted by Assembly and Senate and the actual level of resources available. The revised budget of Governor Davis proposed tax increases of approximately \$3.7 billion that were not supported by the Legislature's Republicans.

The Conference Committee did make more than \$1.15 billion in spending reductions and adopted a complicated series of revenue transfers and loans from other Special funds to the State General Fund in order to help with the budget deficit. However, conferees were unable to agree on the tax increases and other issues, so it adjourned on Friday, June 21<sup>st</sup>.

Part of the dispute centers on SB 1830 (Peace), the governor's proposal to delay payment of the June component of current year Proposition 98 funds until July 1<sup>st</sup>, which would save The State General Fund of \$1.7 billion in expenditures. As an urgency measure that takes effect immediately, SB 1830 needs 27 votes in the Senate and 54 Assembly votes. The Assembly Republicans decided not to support the legislation unless amended to provide funds in an out-year (2003-04) for school district revenue limit "equalization."

The Legislature subsequently amended the 2002-03 budget that had been contained in SB 1261 (Peace) into AB 425 and the tax increase plan into AB 433 (both authored by the Assembly Committee on the Budget); these two bills now are essentially the 2002-03 State budget.

At this writing, the Senate has passed the budget bills, but budget-related bills in the Assembly remain before that body. The budget situation is fluid at this point and will likely experience major changes between its present form and its final adoption and signing by the governor.







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## 2 Matrix of Selected Legislation

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This section of the Legislative Update presents a matrix of bills tracked by the Commission during the second half of the 2001-2002 legislative session. It consists of bills that reflect the Commission's legislative priorities, its sponsored legislation, and other key measures affecting postsecondary education.

Brief summaries of the bills listed on the matrix are in the following section.



## MATRIX 2001-2002 LEGISLATIVE BILLS

[illegible]



14.	<b>*SB 631</b>	Polanco	Exchange Program with Mexico	Watch	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>H</b>	On Senate Inactive File.
15.	SB 1339	Vasconcellos	Postsecondary Education Admissions Requirements	Support	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>P</b>		Pending consideration in Assembly Appropriations Committee.
16.	SB 1493	Alpert	Nursing Study	Support	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>P</b>		Pending consideration in Assembly Appropriations Committee.
17.	SB 1731	Alarcon	Higher School Graduation Requirements	Support, in concept	<b>P</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>P</b>		Pending consideration in Assembly Appropriations Committee.
18.	<b>*SB 1819</b>	Romero	Privacy and Exchange Agreement for Data	*Support	<b>P</b>						Pending consideration in Senate Education Committee.
19.	<b>*SB 1820</b>	Romero	Data Collection on Retention and Support Programs	*Support	<b>X</b>	<b>H</b>					Held in Senate Appropriations Committee.

**28-Jun-02**

**X-Indicates Action Taken**

**\* CPEC Involvement**

**H-Indicates Held in Committee**

**P-Indicates Pending Consideration in Committee**

**F-Indicates Failed Passage in Committee**

**Newly added bills are in bold.**

**Bills that will be removed from the matrix are shaded grey.**

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